

**THE COMMON COUNCIL OF THE CIVIL CITY OF NEW ALBANY,
INDIANA, WILL HOLD A WORK SESSION IN THE THIRD FLOOR
ASSEMBLY ROOM OF THE CITY/COUNTY BUILDING ON MONDAY,
FEBRUARY 28, 2008 AT 6:00 P.M.**

Present: Robert Caesar, Steve Price, Patrick McLaughlin, Diane Benedetti, Jack Messer, Kevin Zurschmiede and President Jeff Gahan

Others Present: Jerry Ulrich, council Attorney and Marcey Wisman

Mr. Gahan called the meeting to order at 6:03 p.m.

Mr. Malysz thanked the council for scheduling this work session. He stated that when they first called this meeting they just wanted to introduce the new members to the tool known as Tax Incremental Financing, but after talking with some of the staff members and council members he decided that they would also need to discuss Capital Improvement projects that are in the works and what the Capital Improvement plan is for the City. He presented the council with a packet regarding the Capital Improvement Plan which is on file with the City Clerks office and explained the different forms of funding that can be used for different projects. He suggested that the council create a specific committee to work with the staff on the Capital Project plan. He also provided a list that shows where New Albany stands with TIF funding compared to other cities and a list of the local TIF areas and what money is available in each.

Hershel Priorson, Crowe Chizek, presented the council with a packet of information regarding TIF and reviewed it with the council. Said packet is on file with the City Clerk's office.

Mr. Price asked if a new development comes into a TIF area can the funds be used to hire new police and fire to cover that new development.

Mr. Priorson stated that you could not use the funds for operation costs.

Mr. Zurschmiede asked if there was a length of time for the TIF areas to last.

Mr. Priorson stated that the any TIF area created as of 2002 has a 30 year limit anything before that had no limitations.

Mr. Zurschmiede asked if that means a TIF never can be closed.

Mr. Priorson stated that the municipality can choose to close a TIF area.

Mr. Coffey asked if the TIF areas affected the other taxing entities such as the schools.

Mr. Priorson stated that the only funds that are affected are the schools Capital Improvement fund and the Pre-school fund not their general fund.

Mr. Malysz asked if you create a new TIF area does it take away existing money from the schools.

Mr. Priorson explained that it will not take existing money from the school system, but they will not receive any of the increased assessed value.

Mr. Zurschmiede asked if a TIF area is closed does it lower the taxes for the entire city.

Mr. Priorson stated that if the city's budget stays the same; no it does not.

Mr. Price asked how it is fair to a small business outside of a TIF area if a new Home Depot gets built in a TIF area.

There was a lengthy discussion regarding the fact that the small business would still have to pay the same amount of taxes as would the Home Depot the only difference is that the Assessed Value from the Home Depot would go to help improve the infrastructure in the TIF Area it is built in.

Mr. Gibson reviewed a map that showed where the TIF areas currently are and the projects that they want to use the funds to implement. He explained that this would basically enlarge the TIF area/district which would allow them to use the TIF funds specifically for the State Street corridor instead of trying to use another source of funds. He stated that they have a certain amount of EDIT funds to use for this but they are going to have these additional areas that are going to be a concern for major roadway construction.

Mr. Coffey stated that it is his understanding that you can use TIF funds if it benefits a TIF area in some way like McDonald Lane.

Mr. Rosenbarger stated that the Monon area is a proposed TIF but it is not a TIF yet.

Mr. Malysz stated that the process was started a few years back but there was a council member that wanted to table it.

Mr. Rosenbarger stated that it is on hold but it would be if the council and redevelopment commission executed it.

Mr. Coffey stated that the TIF precinct in general generate money and if they could use that money to benefit areas that are connected to the TIF's that would be helpful.

Mr. Rosenbarger stated that there are instances where you can do that if it is in or serving the area.

Mr. Gibson stated that their position from the administration standpoint as of right now is that they can use TIF money in instances such as these and the funds can be spread out.

Mr. Malysz stated that another example is the question of who is going to fix the Spring Street Hill Road and he explained that the downtown TIF district could because they can build a reasonable nexus between Spring Street Hill Road and the ability to get downtown. He stated that they are going to have to go through an amendment process to get that project listed and other projects like that to reassess what projects were not identified and what areas may need to be expanded. He explained that if there are areas where they no longer need the TIF in place then they may choose to close it down and that they have an obligation on an annual basis to report to the auditor whether or not they need an increment that is being generated.

Mr. Rosenbarger stated that if they are able to work it out they have a proposal for federal money to redo the signals for all of State Street from downtown to I265 and that would be the 20% match money towards that federal aid.

Mr. Price stated that if they took that money as EDIT money they would have to be under any guidelines and they could use it anywhere in the City.

Mr. Malysz stated that he was right and when they put the thoroughfare project together there will be some that are recommended with funding from EDIT for exactly the reason that Mr. Price just pointed out.

Mr. Price said his question is why not get the developers to kick in some funds with impact fees and take the \$3.6M for EDIT money and then they can do whatever they want with it.

Mr. Rosenbarger pointed out that these businesses pay the taxes and in most cases such as Wal-Mart they did street improvements as well.

Mr. Gibson stated that the problem they run into is even if they do get that \$3.6M back it is not going to be enough.

Mr. Price stated that he means no disrespect to Mr. Rosenbarger but he likes the idea of the council having control of that money not redevelopment.

Mr. Rosenbarger stated that it is the commission that has control of the funds.

Mr. Malysz stated that there is a limited way that projects can be funded and they are developing a plan that includes the use of EDIT, TIF, LRS and a couple of other things that will fund major improvements throughout the community.

Mr. Price stated that his problem is that they were so quick to jump on the most expensive plan and then Daisy Lane ran out of money.

Mr. Messer stated that when they were on redevelopment they didn't realize that the plan that they chose was not going to benefit that area and there had to be another study done to show that. He asked if TIF money could be used to maintain the roads in the area.

Mr. Gibson said yes

Mr. Caesar asked if the TIF district would discourage product developers from doing their part.

Mr. Gibson stated that as far as sewers and sidewalks go the developer will be required to do it whether or not it is in a TIF district.

Mr. Malysz stated that in cases like a subdivision it would be a residential development and TIF wouldn't apply anyway.

Mr. Coffey stated that he feels that all council members should be involved with the discussions as to what projects are being done. He stated that the other night they felt that Rainbow Drive was not as important as a McDonald Lane Project.

Mr. Gibson stated that they would like to meet with the council members at various times so that they can talk to the different individuals involved with these projects and can be kept up to date as to what is going on. He stated that they need their input because they might not be getting the same information from the public and they would like to have an open door to communicate both ways.

Ms. Wisman stated that the law has been changed so that you can have block meetings like he is suggesting.

Mr. Gahan stated that they could always have another work session.

Mr. Rosenbarger pointed out that on the list they gave New Albany use of TIF ranks in the middle and we have the second lowest tax rate.

Mr. Malysz reiterated that they read the page on the Capital Improvement Plan so that they will understand what they are presenting when they come forward with the actual plan.

Mr. Gibson stated that if they do have a certain area that they feel needs to be looked into they should feel free to bring it to the attention of Mr. Rosenbarger.

Mr. Gahan thanked them for the presentation

ADJOURN:

There being no further business to be heard, the meeting adjourned at 7:16 p.m.

Jeff Gahan, President
Common Council, City of New Albany

ATTEST: _____
Marcey Wisman, City Clerk